

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3178-01
Bill No.: SB 1011
Subject: Insurance - Medical; Psychologists; Licenses - Professional
Type: Original
Date: February 2, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	(Unknown exceeding \$50,000)	(Unknown exceeding \$100,000)	(Unknown exceeding \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Unknown exceeding \$50,000)	(Unknown exceeding \$100,000)	(Unknown exceeding \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Federal Funds	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds*	\$0	\$0	\$0

* Revenues and expenditures unknown exceeding \$150,000 annually and net to \$0.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Mental Health, Missouri Department of Conservation and Department of Insurance** assume the proposal would have no fiscal impact on their organizations.

Officials from the **Department of Public Safety - Missouri State Highway Patrol** defer to the Missouri Department of Transportation for response regarding the potential fiscal impact of this proposal on their organization.

Officials from the **Missouri Department of Transportation (DOT)** state currently, the reimbursement rates for services provided by health providers in the Medical plan's PPO and HMO networks are determined by HealthLink and not by the Medical Plan. According to HealthLink, rates are based on services and not the provider of service. In addition, services obtained out of the networks will have a usual and customary rate applied and these, again, are based on the service and not the type of provider. As a result, the proposal will have no fiscal impact on the Highway and Patrol Medical Plan.

ASSUMPTION (continued)

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state this proposal would require reimbursement to a licensed professional counselor who has received a doctor of philosophy degree with a major in counseling, reimbursement equivalent to that of a psychologist. Some additional cost to the plan could result in a higher reimbursement of these additional counselors, thereby producing a premium increase. However, this amount is expected to be minimal.

Oversight assumes minimal increases can be absorbed by the agencies and have presented a \$0 fiscal impact for HCP for fiscal note purposes.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** assumes any changes to Section 376 RSMo, applies to Medicaid. The proposed legislation will have an impact on DMS.

Currently, licensed professional counselors are paid different rates than psychologists for Medicaid covered services. On average, the rates paid to licensed professional counselors are \$7.93 less per unit than rates paid to psychologists. There are more than 1,400 Medicaid provider numbers issued to licensed professional counselors. However, the number of licensed professional counselors with a Ph.D. in counseling who are enrolled in the Medicaid program are unknown. If 31,525 units of services were delivered by licensed professional counselors with a Ph.D. in counseling, the impact to the DMS would be \$250,000; only 12,610 units of services would need to be delivered for the increased cost to exceed \$100,000. The fiscal impact is unknown, but expected to exceed \$250,000 (\$100,000 GR).

<u>FISCAL IMPACT - State Government</u>	FY 2005 (6 Mo.)	FY 2006	FY 2007
GENERAL REVENUE			
<u>Costs - Department of Social Services</u>			
Increase in Program Costs	<u>(Unknown exceeding \$50,000)</u>	<u>(Unknown exceeding \$100,000)</u>	<u>(Unknown exceeding \$100,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown exceeding \$50,000)</u>	<u>(Unknown exceeding \$100,000)</u>	<u>(Unknown exceeding \$100,000)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2005 (6 Mo.)	FY 2006	FY 2007
FEDERAL FUNDS			
<u>Income - Department of Social Services</u>			
Program Reimbursements	Unknown exceeding \$75,000	Unknown exceeding \$150,000	Unknown exceeding \$150,000
<u>Costs - Department of Social Services</u>			
Increase in Program Expenditures	<u>(Unknown exceeding \$75,000)</u>	<u>(Unknown exceeding \$150,000)</u>	<u>(Unknown exceeding \$150,000)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
* Revenues and expenditures unknown exceeding \$150,000 annually and net to \$0.			

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (6 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal may result in an increase in insurance-related costs for small businesses that offer health insurance coverage for their employees.

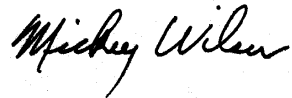
DESCRIPTION

This proposal requires health insurance benefit plans to reimburse a licensed professional counselor with a Ph.D. in counseling at the same rate as a licensed psychologist.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Mental Health
Department of Social Services
Missouri Department of Transportation
Department of Public Safety -
 Missouri State Highway Patrol
Missouri Consolidated Health Care Plan
Department of Insurance
Missouri Department of Conservation

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 2, 2004